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THE THEORY OF THE GROWTH OF CAPITALISM
INTO SOCIALISM AND REALITY

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Communist Party of the

The KOMMUNIST editorial office has received a letter from Comrade S. E. Karpukhin, Irkutsk, in which he asks whether the experience of building socialism in China, where the national bourgeoisie has been called upon to cooperate, does not confirm the theory of the peaceful growth of capitalism into socialism. In the following we publish a reply to this question.

From the moment of the appearance of the famous "Manifesto of the Communist Party" which theoretically proved the inevitability of the doom of capitalism and the triumph of socialism, bourgeois ideologists and their agents in the workers movements have undertaken repeated attempts to refute the deductions and conclusion of the founders of scientific communism.

However, these conclusions, which were drawn more than 100 years ago, were not only not refuted in theory but, on the contrary, received full corroboration in practice. The victory of the Great October Socialist Revolution in Russia, which made the first breach in the worldwide capitalist system and thus considerably weakened it, and the fact that many countries in Europe and Asia set out on the road to socialism, which fundamentally changed the correlation of forces in the world arena, all bears evidence to the insuperable strength and vitality of Marxist-Leninist ideas.

The so-called theory of the peaceful growth of capitalism into socialism is one of the many attempts to adulterate Marxist-Leninist revolutionary teachings, proceeding from reformist positions. This theory had been preached even before World War I by Marxist renegades in the Second International. Today this theory is fashionable among the reformists. In the Soviet Union the adherents and apostles of the theory of the peaceful growth of capitalism into socialism were the representatives of the rightist-opportunist group of Bukharin.

Our country was the first in the world to tackle the problem of building a classless communist society. The working people of the Soviet Union, led by the Communist Party, were called upon to overcome the opposition and resistance of many enemies, beginning with the imperialist states that encircled the USSR from all sides and ending with various anti-Leninist groups which attempted to push the Soviet people off the correct road.

The rightist-opportunists began their attack on the Party after V.I. Lenin's death--that is, in a period when the Soviet workers class in alliance with the toiling peasants conducted a decisive struggle against the exploiters classes--and strived to defeat the cause of building socialism.

At that time the theoretical foundation of rightist-opportunism was a platform elaborated by Bukharin, whose main tenet was the principle of abatement of class struggle in the transition period from capitalism to socialism. Bukharin preached that in this period all class contradictions will be overcome by the simple expedient of the growth of capitalism into socialism.

The substance of his conceptions can be reduced to the contention that the workers class in the USSR, supported by the state power which they had conquered, can allegedly build socialism without encountering increasing opposition on the part of the exploiting class which had been defeated, and that in this period the class struggle cannot become more intense but, on the contrary, dies down, becomes blunt, and ultimately ceases altogether. As a result of this, the exploiting classes, without noticeable opposition, gradually "blend into," "grow into," or as Bukharin puts it, "squeeze themselves into" socialism.

Thus, according to Bukharin, the class contradictions between bourgeoisie and the working class and all working people are liquidated in an evolutionary manner and a unified, uniform, and classless society is born. This was an artificial and abstract scheme for overcoming class divergencies in the transition period from capitalism to socialism which had nothing in common with Marxist-Leninist teachings. It completely ignored the correlation of class forces within the country and the fact of hostile capitalist encirclement.

Bukharin never actually understood the contradictory character of development. In his analysis of the transition period there is no room for the basic laws of dialectics: the oneness and the struggle of contradictions, the transition of quantitative changes into qualitative ones, and

the law of the negation of negation. The Bukharinist conception of the problem of the class struggle in the transition period from capitalism to socialism led to the blunting of the vigilance of the workers class and its Party and to their disarmament at a time when the exploiters intensified their opposition to the dictatorship of the proletariat and attempted to undermine and crush it.

Marxism-Leninism proceeds from the fact that the classes can be liquidated only on the basis of the dictatorship of the proletariat within a process of lengthy and stubborn class struggle.

Here is one of V.I. Lenin's numerous statements on this problem: "The elimination of classes is the final goal of a lengthy, difficult, and persistent class struggle, which, after the abolition of the capitalist regime and power, after the destruction of the bourgeois state and after the establishment of a dictatorship of the proletariat, does not disappear (as imagined by the Philistines of old socialism and old social-democracy) but only changes its form and, in some respects, becomes even more embittered." (Lenin's work, Vol. 29, 350)

Lenin explained that in the process of the struggle the working class must not only defend its power from the encroachment of the crushed classes but also reeducate itself through it--reeducate dozens of millions of peasants, small landowners, employees, and bourgeois intellectuals--in one word the whole mass of the people which has emerged from the depths of capitalism, and make them active workers of the socialist community.

Revealing the multiformity of class struggle in the transition period from capitalism to socialism, Lenin wrote: "The dictatorship of the proletariat is a persistent struggle which is at the same time bloody and bloodless, forceful and peaceful, military and economic, pedagogic and administrative, and directed against the forces and traditions of the old society." (Lenin's works, Vol. 31, page 27)

Lenin stressed the fact that the October Revolution which crushed the regime of large landowners and capitalists achieved only a part of the goal and not the most important one at that. The main, most complicated and most difficult part of the task of the working class--the organization of the building of socialism--still lies ahead. Without a lengthy and determined struggle and without the dictatorship of the proletariat this struggle cannot be brought to a successful conclusion.

Bukharin constructed his conception of the class struggle on the "theory of equilibrium" which he had borrowed from Bogdanov. This theory can be reduced to the contention that in a society which is in the state of "equilibrium" (that is in a period between two social revolutions) no struggle between opposing tendencies allegedly takes place.

According to Bukharin, class struggle is an instrument and a transmission mechanism for "social transformation". He thought that class struggle merges only in cases when "one class is opposed by another class in action." According to Bukharin, such a state in the relations between two antagonistic classes emerges only in the period of a political upheaval as a result of which the power passes into the hands of the new class.

Thus Bukharin confines the sphere of class struggle only to the period of political upheavals and coups d'etat which lead to the change of one social formation to another or to speak, in his words, of the change of one state of "equilibrium" to another state of "equilibrium". Applying this conception to the transition from capitalism to socialism in our country would have meant that class struggle had actually ceased with the advent of the workers class to power, that is with the establishment of the dictatorship of the proletariat.

The only form of class struggle in the transition period from capitalism to socialism recognized by Bukharin was the economic struggle and the free competition between the socialist and capitalist sectors which takes place in the open market. Contrary to Marxist-Leninist teachings, Bukharin represented the dictatorship of the proletariat as a period of "civic peace," "internal pacification," and a period of stable equilibrium in which the gradual growth into socialism of all classes that are antagonistic to the proletariat will take place.

Bukharin demanded that the Soviet regime must not suppress the exploitative tendencies of the NEP-men and kulaks, that is must not interfere in the economic life of the bourgeoisie, and that it give full freedom of development to private trade. This was the main stake of the bourgeoisie, of the NEP-men and the kulaks. It was not by accident that Bukharin wrote the slogan "Enrich Yourselves" on the banner of his rightist and opportunist platform. Of course, this slogan is totally incompatible with the correct Marxist interpretation of class struggle and its laws.

Marxism-Leninism proved that the liquidation of the exploitation of man by man and the universal development of the production forces by

socialist society are prerequisites for the improvement of the well-being of all the people. Bukharin maintained, however, that the improvement of the working peoples welfare can be achieved by raising the standard of living of the proletarian population to the level of that of the bourgeoisie without, however, conducting a decisive struggle against the bourgeoisie and without harming its basic class economic interests. Here is a case where utopianism is intermingled with reformism.

Ignoring the necessity of class approach to the analysis of social events is a characteristic trait in Bukharin's methodology. Lenin repeatedly pointed to this fact. Thus, in his remarks to Bukharin's book "The Economy of the Transition Period" Lenin wrote in 1920: "He completely forgot the social class relations and the deliberate replacement of classes with groups," and so forth.

This opportunist methodology manifested itself particularly strongly in Bukharin in the period when our Party was faced with the important problem of the roads of the development of agriculture. Lenin said that in its policy toward peasantry the proletariat must "distinguish between a toiling peasant and a mercenary peasant, between a working peasant and a peasant who is a speculator." (Lenin's works, Vol. 30, page 92)

This approach was alien to Bukharin. Having failed to understand the duplicity of the nature of peasantry which is caused by the fact that it is a group of small producers, and having failed to make a difference between the working peasant and the mercenary peasant, Bukharin did not see the possibility of developing capitalist tendencies in the peasants if they were left to uncontrolled development and if proletarian leadership was not implemented in respect to them. He insisted on a many-sided development of individual peasant economy and took a stand against the collectivization of agriculture.

Synthesizing historic experience, Lenin stressed the fact that small enterprises (and after all peasant small farms are such) will create capitalism and bourgeoisie in a constant, day-to-day, hour-to-hour, uncontrolled and mass manner. Thus Bukharin, by defending the NEP-men and kulaks, corroborated and defended exactly the opposite. He wrote: "It is completely unclear how a force can emerge from within the country which is supposed to completely stifle the further building of socialism."

Lenin urged the working class to unceasingly increase and sharpen revolutionary vigilance in order to defeat and crush the designs of the enemies of the Soviet regime in time and in their incipient stage. He warned that,

as long as the transition from capitalism to socialism is a whole epoch, it is clear that, until its conclusion, the crushed exploiters "will inescapably harbor hopes for restoration and that this hope will turn into attempts at restoration." (Lenin's works, Vol. 28, page 233)

On the other hand Bukharin maintained the following: "The bourgeois strata of our society (the NEP-men) fully realize the complete hopelessness of all attempts to conduct an active and sharp political struggle against the new regime. These strata are forced to accept and resign themselves against their will to the existing order of things."

This was written in a period when the dominant imperialist countries planned a new crusade against the Soviet Union, placing hope in all counterrevolutionary forces within the country, and when in the country itself there was a sharp class struggle, and when the question of "who-whom" was being decided. Here we have two lines that are mutually exclusive: on the one hand Lenin's line and on the other hand Bukharin's line.

Contrary to Bukharin's assertions that the bourgeoisie in the Soviet Union will peacefully grow into socialism, the Russian counter-revolution did not "resign itself against its will to the existing order of things," and did not lay down the arms but, on the contrary, conducted a persistent struggle against the Soviet regime. All facts bear evidence to this.

For instance, after the 15th Party Congress which adopted a line of constantly increasing collectivization, a concerted attack of the kulaks against the Soviet state took place in 1928. Striving to choke the country by starvation, the kulaks refused to sell their excess grain to the state and began to implement terror against Party and Soviet workers who were the organizers of the kolkhoz movement. At the same time, in the Donbas--the largest coal rayon in the country--there was a diversionary organization of bourgeois specialists in action (the so-called Shakhtinskaya organization) which envisaged the goal of causing a shortage of fuel in the country.

The activities of a sabotage organization which called itself "Prompartiya" was an extension of the Shakhtinsiy plot. This organization strived to paralyze the economic activities in the country by implementing widespread diversionist activities. The unmasking of the counter-revolutionary activities of the Shakhtinskaya organization and the Prompartiya proved the direct connection of the enemies of the Soviet regime within the country with the imperialist countries who were preparing an armed intervention against the USSR.

By force of their class interests, the exploiters not only did not grow into socialism but offered a sharp resistance to the building of socialism. Our workers' class achieved the victory of socialism through the struggle against capitalist elements, by crushing their resistance, and by uniting all working people. This victory marked the triumph of Marxism-Leninism.

It is known that Bukharin, who came out with his group in defense of the kulaks, was defeated. By continuing to insist on his rightist, opportunist and wrong opinions, and by developing them further, Bukharin ultimately slid into the mire of those who struggle for the restoration of capitalism and found himself in the camp of the enemies of the Soviet Union. Thus the theory of the peaceful growth of capitalism into socialism was fully refuted by life itself and by the practice of building socialism in the Soviet Union. Its worthlessness was proved to the full. The experience of building socialism in China also refutes this theory.

The experience of building socialism in the USSR and the experience of socialist transformations in China and other People's Democracies prove that the development of all countries that have set out on the road to socialism is subject to laws that are equally effective for all. In order to build a socialist society in any country it is necessary for the workers class to seize class domination and dictatorship on the basis of a strong union between the working class and the toiling peasantry.

Supported by its regime, the working class appropriates the basic levels of economy and then, step by step, wrests all capital from the bourgeoisie, centralizes all means of production in the hands of the state, and thus, by the very nature of these acts, basically changes the character of production relations which prevailed up to this time; in other words, it implements an upheaval in the whole method of production.

In all cases, the advent of the working class to power and the establishment of a dictatorship of the proletariat in one or another form preceded the fundamental economic transformations. In all cases the birth of a new order took place in an embittered struggle against the old order and against the remains of the exploiting classes. It must be noted that the sharpness of this struggle and its forms are not identical in the different countries. They are determined by the concrete historic conditions prevailing in each country.

China set out on the road to socialism at a time when there was a powerful camp of socialism in existence. The many-sided assistance that

China receives from the brotherly countries facilitates the fulfillment of its tasks and considerably speeds up the rate of building socialism.

The peculiarity of the alignment of forces in the Chinese revolution was caused mainly by the situation of the bourgeoisie in connection with the semicolonial status of the country. The Chinese bourgeoisie could be divided into two categories: compradors who were closely linked with foreign imperialist circles, and the national bourgeoisie whose interests clashed with those of imperialism and comprador capital.

The comprador bourgeoisie, which represented only a small part of the Chinese bourgeoisie, was on the side of the counterrevolution and in the camp of the imperialist even during the phase of the bourgeois-democratic revolution. It was defeated and crushed during the revolution. As far as the national bourgeoisie is concerned, a considerable portion of it took a patriotic attitude, supported the revolution, and entered the unified anti-imperialist front together with the working class, the peasantry, and the small-town bourgeoisie.

This was connected with the fact that the Chinese national bourgeoisie was fairly weak in economic and political respects. It could attain its liberation from the oppression of foreign and comprador capital only as a result of the victory of the people's revolution headed by the working class.

After the creation of the Chinese People's Republic, the national bourgeoisie, having been convinced of the unbreakable will of the Chinese people to defend with all their strength their achievements against the designs of foreign and internal enemies, considered it expedient to recognize the leading role of the Communist Party in the state during the socialist phase of the revolution and to set out on the road of cooperation with the working class and other classes in the framework of a united people's democratic front.

At the same time, the Chinese national bourgeoisie could not but take cognizance of the deplorable fate of the Russian bourgeoisie at the time when it attempted, in alliance with the imperialist states, to crush and stifle the young Soviet republic and restore the capitalist regime. It also could not but take notice of the new situation in the world after World War II, a situation which was extremely favorable to the forces of democracy and socialism.

The fact that in the struggle to strengthen the people's regime the working class defeated the shock-troops of the counterrevolution had an

immense influence in determining the positions of the national bourgeoisie. The fact that in the phase of the building of socialism in China, the working class collaborates with the national bourgeoisie does not mean that there is not a sharp struggle between them. It would be unnatural to expect that the working class, which has come to power and declared that its basic task will be the building of a classless communist society which does not tolerate the exploitation of man by man, will not meet with resistance on the part of the bourgeoisie--its main class enemy.

Comrade Liu Shao-shi, in the political report of the Central Committee of the Chinese Communist Party to the Eighth Congress of the Chinese Communist Party, noted that at the time of the formation of the People's Republic in China there was an unceasing struggle of the state against the national bourgeoisie, which was opposing the measures of the people's regime. At the time, this struggle took the character of a mass campaign which reached great bitterness and sharpness.

Thus in 1950, the Government had to conduct a decisive struggle against the bourgeoisie for the stabilization of prices and against the bourgeoisie's speculative activities, which inflicted grave losses on the welfare of the nation. In 1952, the well-known campaign began against the "five misdeeds of the bourgeoisie": bribery, tax evasion, waste of state means, unconscientious implementation of Government directives, and mishandling of secret economic information by the agencies.

In 1953, when the Chinese people tackled the task of the fulfillment of the First Five Year Plan, that is, the systematic socialist transformation of agriculture and capitalist economy, they again met with the embittered resistance of the village and town bourgeoisie.

The policy of restriction as implemented by the people's government in regard to capitalist private property clashed with the narrow class interests of the capitalists who were not prepared and willing to yield their position.

Comrade Liu Shao-shi says: "The struggle for or against the limitations and restrictions was the basic form of class struggle in our country during the last few years." This struggle was particularly embittered in the period of the greatest upswing of cooperativization in agriculture and the socialist transformation of capitalist industry and trade, at the time when the question of "who--whom" was being decided.

We cannot ignore the fact that in 1955, as was mentioned by Comrade Liu Shao-shi at the Eighth Congress of the Chinese Communist Party, the struggle to stifle counterrevolution flared up again. If under these conditions the ruling Communist Party had left things to themselves and desisted from stifling the bourgeoisie the struggle between the capitalist and socialist roads of development would inevitably have ended with the victory of the former and the question of "who-whom" would have been solved in favor of the bourgeoisie. This would be the road advocated by Bukharin. Bukharin's platform logically leads to precisely this result.

The Chinese Communist Party chose the other road, the road outlined by Marx and Lenin. The Chinese Communist Party, creatively developing Marxism-Leninism in the concrete conditions prevailing in the country and adopting an attitude of adhering to the indestructible brotherly alliance of the working class and the toiling peasantry in regard to the peasants, and an attitude of adhering to the well-tested experience of a course of alliance and struggle in regard to the bourgeoisie, evolved a system of transition measures aimed at the gradual transformation of agriculture and the capitalist sector of the economy on a socialist basis: Various forms of cooperatives in agriculture and state capitalism (Russian: goskapitalism) in capitalist industry and trade.

The application of various forms of cooperatives in agriculture permits the peasants, who dreamed about land for centuries, to renounce their private-ownership tendencies in a most painless manner and to gradually become used to the collective form of economy. The transformation of private capitalist enterprises through state capitalism makes it possible to shift class struggle in the towns to new forms which are most favorable to the working class.

The process of the gradual cooperativization of agriculture is not only the only method of socialist transformation of individual agricultural economy but also a decisive prerequisite for the liquidation of the last and most numerous exploiting class in the villages--the kulaks.

The cooperativization of agriculture in China is being implemented on the basis of the complete application of agrarian transformation which liquidates the class of the large landowners and considerably undermines the economic and political positions of the kulaks. The successes in the cooperativization of agriculture in China during recent years convinced the broad masses of peasants of the advantages of the socialist method of development of rural areas and of the hopelessness of the capitalist method.

The People's regime undeviatingly implements a policy of restriction and liquidation in regard to the kulak economy. Having found itself economically isolated from town bourgeoisie and having been deprived of the last vestiges of moral authority among the toiling peasantry, the kulak economy does not have propitious conditions for development and is doomed to inevitable destruction. This explains the comparative ease with which the task of the liquidation of kulak exploitation in China is being solved.

The task of destroying capitalist exploitation in the towns by means of state capitalism proved to be more complicated. The eminent Chinese economist Suy Di-sen says: "In the concrete historic conditions in China, state capitalism focuses in itself the unity of the policy of using, restricting, and transforming as applied by the state in regard to capitalist industry and trade."

The basic line of policy of the people's state in regard to capitalist industry and trade in the transition period, a policy rooted in and confirmed by the Constitution of the Chinese People's Republic, is that the socialist transformation of capitalist industry and trade is implemented by means of a twofold process: Using and restricting. This means that the state makes use of the positive role of a more capitalist industry and trade in pursuing the goal of a more rapid upswing in the general well-being of the people, but at the same time does not permit the free development of capitalism and restricts those aspects of capitalist industry and trade which inflict harm to the national prosperity and the well-being of the people.

The socialist transformation of the capitalist sector of the Chinese economy is a process of its gradual liquidation, a process of a gradual constriction of its framework which is achieved by the state as a result of an intensive economic, political, and ideological struggle. In the course of this complicated and persistent struggle the capitalist sector of the economy is gradually reduced to nothing and is being squeezed out of the economic life of the country and, finally, is being replaced by the constantly growing, strengthening socialist sector of the economy.

In implementing these measures the Chinese people achieved in the struggle for the socialist transformation of agriculture, capitalist industry, and trade immense successes one could not have dreamed of a few years ago. Life and practice surpassed all prognostications. Thus toward the middle of 1956, more than 90 percent of all peasant farms were cooperativized, while about two-thirds of them joined cooperatives of a higher--that is, a socialist--type. By this very fact the socialist transformation of agriculture can be considered basically completed.

At the same time the transformation of capitalist industry and trade was also basically completed. Ninety-nine percent of all capitalist industrial enterprises, calculated on the basis of the value of finished products, were transformed in mixed state-private enterprises. At the same time the transformation engulfed entire branches of industry. This is a decisive step toward converting capitalist property into socialist public property.

As a result of the peculiar conditions prevailing in the country, the socialist transformation of private capitalist property is implemented by peaceful methods. However, this peaceful method has absolutely nothing in common with the Bukharinist conception of "peaceful growth" of capitalism into socialism.

The Chinese comrades explain it thus: "Our peaceful method is basically different from the opportunist and so-called 'peaceful road', namely the Bukharinist conception of the peaceful 'growth' of capitalism into socialism." (CHUNG KUO CHING NIEN PAO of Oct. 19, 1956, 1954)

The crux of the matter lies in the fact that capitalism as a system is in the process of being liquidated in industry and agriculture. The capitalist system of economy which is based on private property and exploitation of the have-nots by the haves does not "grow" and cannot "grow" into socialism. It is destroyed and annihilated in the course of building socialism. The objective essence of this process does not depend upon this or that form or on the grade or intensity of the class struggle.

In his time Lenin did not exclude the possibility of a peaceful method of the transformation of capitalist property into socialist property by means of state capitalism, a method which could be applied even in our country. He said: "The transition to communism is also possible by means of state capitalism provided that the power in the state is in the hands of the working class." At the same time Lenin warned that state capitalism is merely the continuation of class struggle under another form and by no means the replacement of class struggle with class peace.

Criticizing Bukharin, who stood on the position of an exclusively "peaceful" attitude toward the bourgeoisie and denied the necessity of fighting it, Lenin wrote: "At present we can and must acquire a system of amalgamating the methods of a merciless settling of accounts with uncultured capitalists who do not envisage any form of state capitalism, who do not tend toward compromise, who continue to engage in speculation and bribery of the poor, and other Soviet methods, with the methods of compromise with and pacification of cultural capitalists who envisage state

capitalism, who are able to implement it in life, who are useful to the proletariat in their capacity as clever and experienced organizers of large enterprises, and who can truly master the supply of dozens of millions of people with goods." (Lenin's works, Vol. 32, page 317)

The method of peaceful transformation of capitalist enterprises by means of state capitalism was not much in use in the Soviet Union mainly because the Russian bourgeoisie adopted as attitude toward the Soviet regime which excluded any form of compromise. Maintaining close ties with imperialist bourgeoisie abroad, the Russian bourgeoisie could not reconcile itself to the fact that it had lost forever its dominant position.

Having placed all its hopes in the assistance of international imperialism, it considered the victory of the working class in the Soviet Union an accidental and temporary event. It believed it to be impossible that the working class would succeed in maintaining the power in its hands and in leading the country on a new and unexposed road. Therefore the bourgeoisie engaged in starting a bloody civil war and did everything in its power to restore the former capitalist methods in the country. The Soviet state was forced to reply to these acts of military resistance in the period of foreign intervention and civil war with the confiscation of bourgeois private property.

In China the historic conditions for the implementation of a policy of peaceful transformation were much more propitious. Here state capitalism became the basic (transition) form of the gradual transformation of capitalist property into socialist property. This is aimed at by two means: 1--by the gradual "buying off" of the means of production still in capitalist hands; and 2--by combining the transformation of capitalist enterprises with education work among the bourgeoisie.

The method of the gradual "buying off" of the means of production still in capitalist hands is a creative application of the well-known directives of Marx and Lenin on this problem to conditions in China by the Chinese Communist Party.

The forms of "buying off" as applied are not immutable. Until 1955, for instance, the "buying off" was implemented by means of a system of distributing profits under which the capitalist usually received one fourth of the total volume of profits of his enterprise. After 1955,

when the private industrial and trade enterprises were basically transformed into mixed state-private enterprises, the "buying off" acquired the form of a fixed percentage which the state must pay within a certain period of time to the capitalist.

The reeducation of the bourgeoisie is also a new form of class struggle. The methods of reeducation are very diverse. They range from persuasion to force, the latter being applied in cases when one capitalist or the other adopts a hostile attitude toward socialism, continues to violate state laws, and engages in some form of anti-constitutional activity.

The bourgeoisie is educated in a spirit of patriotism, in a spirit of the noble task of China's rapid transformation into a great socialist state. Through the education and reeducation of the bourgeoisie the Chinese workers class achieves a greater unification of all classes and parties of the country in a united people's democratic front.

The application of peaceful methods in the transformation of the capitalist sectors is feasible only because of the existence of a constantly increasing and strengthening socialist sector of economy and because of the regulating and guiding role of the people's state. However, the peaceful transformation based on the existence of an alliance of the workers class and the national bourgeoisie does not by any means exclude a serious and determined struggle against it.

The political report of the Central Committee of the Chinese Communist Party to the Eighth Congress of the Chinese Communist Party says: "As far as the national bourgeoisie is concerned we conduct a policy of unification and struggle, a policy of achieving unification through struggle, a policy directed mainly toward the bourgeois' reeducation. The restriction of the capitalist sector and the struggle against the lawless activities of the bourgeoisie are one of the important forms of education in practice."

This struggle, says Comrade Liu Shao-shi, which reflects the basic class contradiction in the country--the contradiction between the workers class and the bourgeoisie--will fully exist until the final completion of all socialist transformations.

The example of building socialism in China also confirms the Marxist-Leninist principle which says that the defeated classes will not relinquish their positions voluntarily and without a struggle which at times will acquire very sharp forms. The working class will succeed in reeducating the exploiting classes and strata of society and in making them loyal workers in a socialist society only by means of a persistent, prolonged, and undeflectable struggle.